## REMARKS

Claims 1-20 are pending in the application. Claims 1-20 are rejected.

Claims 1-20 are rejected under 35 USC § 102(e) as being anticipated by Kwan (US Patent No. 6,504,838.

It is believed that the rejection was intended to be directed to claims 1-5, 8, 12, and 14-20, as claims 6, 7, 9-11 and 13 are not included in the comments under this rejection. As such, Applicants have directed their comments to the claims listed above, rather than to claims 1-20. Claims 4 and 17 have been canceled by this amendment.

With regard to claims 1, 8, 12, 15 and 19, these claims all require signal suppression between the originating modem and the answering modem, including signal suppression of the signals that indicate that the modems are high speed modems. There is no signal suppression in Kwan, and there are no signals in Kwan that are detected to determine if the modems are high speed modems.

In Kwan, the rate negotiation is done by the gateways, but there is no indication that any signals between the modems are suppressed to accomplish this negotiation. Kwan mentions that the negotiations are preferably done by the gateways, but the system and method disclosed does not actively suppress signals. See Kwan, column 67, lines 7-45.

Indeed, for the example of one type of signal detected that indicates that the modems are high speed modems, that of V.8 Call Menu, Kwan does nothing to prevent that signal from being transmitted once detected. See Kwan, column 69, lines 57-60, "In a first method for data rate alignment *after* a V.34 connection is established...;" referring to the V.34 negation in column 69, lines 39-45.

"When the call modem receives answer tone, it generates a CM indication and forwards it to the call network gateway. When the call network gateway receives a CM indication, it forwards it to the answer network gateway which then communicates the CM indication with the answer modem. [emphasis added]"

As can be seen by this text, the method of Kwan not only does not suppress the detected signals, it actively forwards them, contrary to the requirements of claims 1, 8, 12, 15 and 19.

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It is therefore submitted that claims 1, 8, 12, 15 and 19 are patentably distinguishable over the prior art and allowance of these claims is requested.

With regard to claims 2, 13, 14, 16, 17 and 20, Kwan does not teach that the signals detected that indicate that the modems are high speed modems, in these claims ANSAM and CM, are suppressed. As stated in the Office Action, page 4, lines 1 through 4, Kwan teaches that these signals are exchanged between the modems, not suppressed. It is therefore submitted that claims 2, 13, 14, 14, 17 and 20 are patentably distinguishable over the prior art and allowance of these claims is requested.

Claims 6, 7, 9-11 and 13 are rejected under 35 USC 102(a) as being unpatentable over Kwan.

The Examiner states that 'without noise' there is no need for voice compression and echo cancellation, except that voice compression is applied to digital signals as well, to compress digital audio signals from a voice signal to make it more easily transmitted across a network. Echo cancellation is a function of the data being transmitted being acquired from a microphone or other audio input. These functions have little to do whether the data is acquired digitally or by analog means. Further, as discussed above, Kwan does not teach suppression of the signals that indicate that the modems are high speed modems from being exchanged between the two gateways, much less that echo cancellation and voice compression are disabled upon this detection as well. It is therefore submitted that claims 6, 7, 9-11 and 13 are patentably distinguishable over the prior art and allowance of these claims is requested.

The prior art made of record and not relied upon has been reviewed and is not considered pertinent to Applicant's disclosure. No new matter has been added by this amendment. Allowance of all claims is requested. The Examiner is encouraged to telephone the undersigned at (503) 222-3613 if it appears that an interview would be helpful in advancing the case.

Respectfully submitted,

MARGER JOHNSON & McCOLLOM, P.C.

Julie L. Reed Reg. No. 35,349

MARGER JOHNSON & McCOLLOM, P.C. 1030 SW Morrison Street Portland, OR 97205 503-222-3613 Customer No. 20575